MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

BMG1614 – MANAGEMENT

(All Sections/ Groups)

8 OCTOBER 2015
2.30 P.M – 5.30 P.M
(3 HOURS)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **3 pages** (exclusive of cover page) only.
2. **Answer ALL FIVE (5) questions.** All questions carry equal marks and the distribution of the marks for each question is given.
3. Please provide **all your answers** in the Answer Booklet provided.

INSTRUCTIONS: Answer ALL FIVE (5) questions.

QUESTION 1 (20 MARKS)

During the mid-1990s, airlines were faced with pressure from the newly formed European Union to boost their fuel efficiency, cut down on emissions, and commit to sustainability. In addition, the authority for overseeing European airspace slowly shifted from the capitals of countries to a centralised commission in Brussels. But one airline, in particular, had anticipated the changing winds. Lufthansa had already established a nine-person "corporate embassy" to the E.U. - the first of its kind - to monitor and comply with policymaking. Thomas Kropp, the company's *chief external officer*, headed the office. Its contacts with legislators and governments gave the company a leg up over its competitors, and helped the airline develop a long-term, rather than reactionary, strategy for dealing with the E.U. In the process, Lufthansa established itself as the go-to industry representative for E.U. politicians and committees, and survived near failure in the early 1990s to become one of the most successful airlines in the world as the E.U. evolved.

(a) Explain the TEN (10) managerial roles, divided into THREE (3) categories that all managers undertake. (15 marks)

(b) Consider FIVE (5) possible managerial roles that Thomas Kropp is carrying out as *chief external officer* at the "corporate embassy". (5 marks)

QUESTION 2 (20 MARKS)

(a) Everlane is an online apparel company founded in 2010 by a then-25-year-old venture capitalist named Michael Preysman. It designs and produces all of its own goods, holding prices down by avoiding brick-and-mortar overhead and by adopting rigorous lean production methods. Everlane keeps itself honest and attractive to customers through an innovative and highly engaging form of radical accountability. Alongside the conventional links to men's and women's clothing assortments, the company's home page features a button called "factories." It leads to a map of all the locations where the company's clothes are made. You can click further and get background information on each factory and its workers, and watch a video interview with a factory owner. Other pages reveal the day-to-day practices throughout the company's supply chain, and — even more radical — the costs and markups of every product. For a US$55 shirt, for instance, the cost of materials is about $15, labour is about $6, and transportation is about $6. That level of transparency is rare in any business. Unlike other companies, Everlane has to defend its $30-ish markup, which it does by noting that in traditional retail, the markup for an item with the same costs is around $70. By reading all this, customers learn about the values of the company, directly,

through its management and its employees. If Everlane's practices change, its customers will be the first to know.[1]

Based on the above, illustrate the Criteria of Corporate Social Performance and demonstrate how Everlane practices discretionary responsibility. (12 marks)

(b) Tata Consultancy Services (TCS) is present in 85 countries and seven industries, as a multinational company that took advantage of its proactive stance. From 2001 to 2013, the late Malcolm Lane oversaw the Indian firm's office of European external affairs, pushing TCS's green agenda and creating valuable ties with governmental agencies. Lane's award-winning work on the firm's antipoverty programmes also dovetailed with the establishment of an adult literacy programme that tapped into the company's business objectives and helped create a healthier, better educated customer base.[2]

Describe what is boundary spanning role and evaluate the late Malcolm Lane's boundary spanning role in Tata Consultancy Services.

(8 marks)

QUESTION 3 (20 MARKS)

(a) Dell has trained more than 10,000 employees specifically in the pitfalls and promise of social media, and IBM uses its Voices programme to channel its employees' opinions in a way consistent with its corporate outlook[3].

Support the above as standing plans. **(5 marks)**

(b) In 2007, consumer giant Unilever joined forces with Migros, one of Turkey's largest retailers. Through an in-store survey, the firms learned that shoppers perceived hair conditioner as unnecessary and expensive. Unilever and Migros set up price promotions and reorganised shelf space to put conditioners next to shampoos, encouraging shoppers to view conditioner as an essential companion product. Migros's overall hair conditioner revenue grew by 25 percent, and Unilever's by 36 percent.[4]

Justify the above situation by using the classical model of decision making.

(8 marks)

(c) **Elaborate on centralisation and decentralisation, and the factors that typically influence one versus the other.** **(7 marks)**

[1] Sourced from: http://www.strategy-business.com/blog/Radical-Accountability
[2] http://www.strategy-business.com/blog/A-Different-Kind-of-CEO
[3] http://www.strategy-business.com/blog/Using-Social-Media-for-Your-Companys-Good
[4] http://www.strategy-business.com/article/li00099

QUESTION 4 (20 MARKS)

(a) When A.G. Lafley became CEO of Procter & Gamble Company, he removed the oak-paneled executive offices on the 11th floor of P&G's Cincinnati headquarters and loaned the paintings that hung there to a local museum, according to the magazine of his alma mater, Hamilton College. He moved the divisional presidents' offices nearer those of their staffs and converted the former executive space to an employee learning centre. He did it, Lafley said, "So people understand we're in the business of leading change." He then instituted a policy of regular and frequent communication with staff, customers, suppliers, innovators around the world, and even competitors. In this environment, the fear of speaking out for the organisation's good diminishes; people feel not just invited, but compelled, to raise opportunities to improve.[5]

There are THREE (3) critical innovation strategies – exploration, cooperation and entrepreneurship - for changing products and technologies. Demonstrate Lafley's actions to be ANY TWO (2) of those innovation strategies. (8 marks)

(b) Describe the Leadership Grid® and its FIVE (5) major management styles. (12 marks)

QUESTION 5 (20 MARKS)

(a) Organisations in today's complex business environment depend on effective communication to ensure business success. Not only does effective communication lead to better bottom line results but also much of a manager's time is spent communicating.

Discuss the communication process. Illustrate the process as part of your discussion. (10 marks)

(b) Discuss Frederick Herzberg's two-factor theory in detail. Support your answer with a diagram. (10 marks)

[5] http://www.strategy-business.com/article/li00114

End Of Page